
Ginnie Mae Multifamily Training

Claim for Reimbursement Procedures



New Orleans

June 18, 2003

(Updated, November 2003)



Agenda

- ◆ **Philip Buckley – Senior Mortgage-Backed Securities Specialist, Ginnie Mae, Multifamily Division**
 - Overview of Chapter 31, Ginnie Mae Guide
 - Overview Appendix VI-9
- ◆ **Nancy Strickland – Senior Manager, ACS Ginnie Mae Issuer Support Group**
 - Procedures and reporting for the reimbursement of mortgage insurance claim costs



Philip Buckley - Overview

Default Procedures

- ◆ Upon Mortgage default:
 - Exercise business judgment to determine whether to forbear, assign or foreclose
- ◆ If issuer proposes to forebear
 - Notify Ginnie Mae in writing and obtain Ginnie Mae's approval prior to implementation
 - See Section 31-15 (D) for detailed requirements



Upon Mortgage Default

- When entering into forbearance agreement
 - Issuer advances funds to continue paying security holders scheduled principal and interest
- Upon deciding to assign or liquidate mortgage
 - Notify Ginnie Mae in writing promptly
 - ◆ Email, FAX or letter is OK



Upon Assignment to FHA and Receipt of Initial Claim

- ◆ Proceeds from any FHA claim settlement
 - Must elect to receive cash insurance benefits if FHA provides an option
 - Not debentures - If issuer elects to accept debentures, Ginnie Mae will not reimburse assignment fee and interest
 - Must be deposited immediately into P&I Custodial Account and passed through by 15th of next month



Choices

Liquidate Now or Liquidate Later

- Upon receipt of initial claim - two options
 - Advance corporate funds in addition to the initial FHA claim payment and liquidate the loan from the pool
 - Continue pass through payment until final FHA claim settlement

- The choice is a business decision

Choices Option 2

- ◆ Under option 2, pass through consists of
 - Interest at security rate calculated on RPB
 - Next principal payment under initial amortization schedule *without regard to the initial claim payment having occurred*
 - Any unscheduled recoveries of principal
 - Final claim payment

What Will Ginnie Mae Reimburse?

- ◆ Ginnie Mae will reimburse
 - 100% of the assignment fee
 - 85% of the excess, if any, of interest paid to security holders (post default) less net interest paid by FHA claim
- ◆ Issuer must process FHA claims prior to filing request for reimbursement with Ginnie Mae
 - This includes any supplemental claim even if no bearing on reimbursement



Ginnie Mae Reimbursement

When Can I File?

- ◆ Requests for Reimbursement must be filed with Ginnie Mae within 60 days of final FHA claim payment
 - Established by date on FHA transmittal letter
 - Submitted on Request for Reimbursement of Mortgage Insurance Claim Costs form
 - Appendix VI-9, Ginnie Mae Guide



Reference Material

- ◆ APM 02-27 – effective December 9, 2002
 - Contains “Request for Reimbursement of Mortgage Insurance Claim Costs” form
 - http://www.ginniemae.gov/apm/apm_pdf/02-27.pdf
- ◆ Guide Appendix VI-9
 - Instructions for reimbursement request
 - Including when FHA curtails interest or imposes surcharges
 - http://www.ginniemae.gov/guide/pdf/app_vi-09.pdf

Reference Material

- ◆ APM 03-23 – effective December 1, 2003
 - Ginnie Mae will not reimburse assignment fee or interest if issuer elects to receive its FHA mortgage insurance claim in debentures
 - http://www.ginniemae.gov/apm/apm_pdf/03-23.pdf



Contacts and Addresses

- ◆ Contact information:
 - Ginnie Mae Office of Multifamily Programs
 - 451 7th Street, S.W.
 - Washington, DC 20410-9000
 - (202) 708-2043 phone
 - (202) 708-3019 FAX
 - Paulette_M._Griffin@hud.gov
 - Philip_H._Buckley@hud.gov



Agenda

Nancy Strickland

- ◆ Manager Ginnie Mae Issuer Support Group
- ◆ Going to do three things:
 - Discuss claim reimbursement and reporting
 - Using “option 2” that Philip mentioned earlier
 - Complete an example together
 - Discuss special instructions for when FHA has curtailed claimable interest



This Is The Scenario

- ◆ Assume PL or PN pool with one loan
 - Issuer opts to apply initial FHA claim payment and continue passing through until receipt of final claim payment, “option 2”
 - Initial FHA claim payment May 2002
 - Final FHA claim received August 2002
 - Ginnie Mae request for reimbursement filed September 2002



Claims Reimbursement and Reporting

- ◆ We will work through this in 3 stages:
 - Initial FHA claim payment is received
 - Final FHA claim settlement is received
 - It's time to submit the Ginnie Mae claim for reimbursement



Refer to Example in Handout Page 2

- ◆ What to do when the initial FHA claim payment is received
- ◆ If you haven't already done so, start a hard copy liquidation schedule, form 11710E

Start a hard copy 11710E, liquidation schedule

Step 1. Using unpaid balance at time of default amortize each delinquent payment

ISSUER ID 1111	REPORTING MONTH	POOL/LOAN PKG NUMBER 123456	CONSTANT P&I 21,034.96
FHA-VA-RHS CASE NUMBER 000000003145678	DATE REMOVED	LOAN TYPE FHA	MORTGAGE INTEREST RATE 8.25%
REASON FOR REMOVAL (Check Applicable Box)			(Attach details) details)
<input type="checkbox"/> 1. MORTGAGOR PAYOFF <input checked="" type="checkbox"/> 3. FORECLOSURE WITH CLAIM PAYMENT <input type="checkbox"/> 2. REPURCHASE OF DELINQUENT LOAN <input type="checkbox"/> 4. LOSS MITIGATION			
		1. Loan balance after last payment	
PAYMENT DUE DATE	INTEREST DUE	PRINCIPAL REMITTED	BALANCE
1 1/1/02			2,842,308.21
2 2/1/02	19,540.87	1,494.09	2,840,814.12
3 3/1/02	19,530.60	1,504.36	2,839,309.76
4 4/1/02	19,520.25	1,514.71	2,837,795.05
5 5/1/02	19,509.84	1,525.12	2,836,269.93

Apply initial FHA claim payment and recalculate the Fixed Installment Control

Steps 2 – 5. Detailed instructions in workbook, page 14 & 15

- ◆ Record initial claim payment as a reduction to principal
- ◆ Calculate interest due – use UPB after application of claim
- ◆ Use “old” principal installment from amortization schedule
- ◆ Recalculate FIC

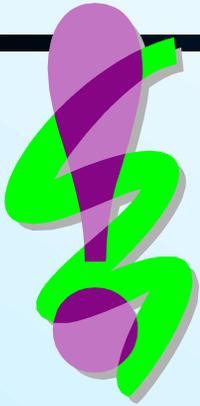
2. Initial Claim Payment

6	06/01/2002	19,499.36	1,535.60	2,834,734.33
7	05/15/2002	0.00	2,558,077.39	276,656.94
8	07/01/2002	1,902.02	1,546.16	275,110.78
9				
10				
11				
12				
13		3,448.18		
14				
15				

3. Interest Calculated On New Balance

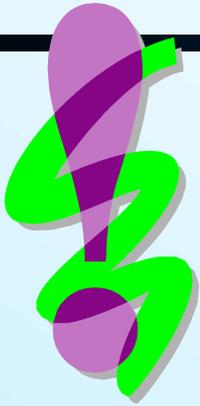
5. New FIC: Sum of Elements #3 and #4, above.

4. "Old" Scheduled Principal installment



Important Point

- ◆ When you recalculate the Fixed Installment Control you will also:
 - Recalculate and reduce the P&I to be passed through to security holder until receipt of final FHA payment
 - This will reduce the amount of corporate funds that will need to be advanced and subsequently recovered when the final claim payment is received



Another Important Point

- ◆ After you apply the initial FHA claim payment:
 - Continue to amortize and calculate subsequent pass-through payments using the adjusted FIC
 - **Note: This is the only time that you would re-amortize a PL pool**

Questions?



- Now is the time to ask if you have questions about the Liquidation Schedule or how to adjust the FIC

Final FHA Claim Settlement

Almost Time to Request Reimbursement

- ◆ A couple of months have passed
 - You have the final FHA claim settlement
 - Any supplemental claim is settled or denied
 - You are ready to liquidate the loan and submit your request for reimbursement to Ginnie Mae



Preparing form 11710-E Hard Copy for Claim

- ◆ Refer to Handout, page 3
 - Submit detailed Liquidation Schedule to Ginnie Mae as part of reimbursement package
 - Displays payment detail as well as summary
 - Investor Accounting department and/or service bureau will report the electronic 11710-E, as usual



Preparing form 11710-E Hard Copy for Claim

- ◆ Use recalculated FIC for installments after claim payment was applied here....

LIQUIDATION SCHEDULE

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

OMB APPROVAL NO. 2503-0004
(EXP 7/31/2004)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Sec. 306(g) of the National Housing Act or by Ginnie Mae Handbook 5500.3.

ISSUER ID 1111	REPORTING MONTH Aug-02	POOL/LOAN PKG NUMBER 123456	CONSTANT P&I 3448.18
FHA-VA-RHS CASE NUMBER 000000003145678	DATE REMOVED 8/16/02	LOAN TYPE FHA	MORTGAGE INTEREST RATE 8.25%

REASON FOR REMOVAL (Check Applicable Box)

1. MORTGAGOR PAYOFF 3. FORECLOSURE WITH CLAIM PAYMENT 5. SUBSTITUTION (Attach details)
 2. REPURCHASE OF DELINQUENT LOAN 4. LOSS MITIGATION 6. OTHER (Attach details)

	PAYMENT DUE DATE	INTEREST DUE	PRINCIPAL REMITTED	BALANCE
1	1/1/02			2,842,308.21
2	2/1/02	19,540.87	1,494.09	2,840,814.12

Preparing form 11710-E Hard Copy for Claim

- ◆ And here...

Use
recalculated
FIC for each
installment
after claim
payment was
applied

	PAYMENT DUE DATE	INTEREST DUE	PRINCIPAL REMITTED	BALANCE
1	1/1/02			2,842,308.21
2	2/1/02	19,540.87	1,494.09	2,840,814.12
3	3/1/02	19,530.60	1,504.36	2,839,309.76
4	4/1/02	19,520.25	1,514.71	2,837,795.05
5	5/1/02	19,509.84	1,525.12	2,836,269.93
6	6/1/02	19,499.36	1,535.60	2,834,734.33
7	5/15/02		2,558,077.39	276,656.94
8	7/1/02	1,902.02	1,546.16	275,110.78
9	8/1/02	1,891.39	1,556.79	273,553.99
10	9/1/02	1,880.68	1,567.50	271,986.49
11				
21				
		TOTAL INTEREST DUE	TOTAL PRINCIPAL REMITTED	LIQUIDATION BALANCE
		103,275.01	2,570,321.72	271,986.49

Preparing form 11710-E Hard Copy for Claim

- ◆ Sum P&I and record the liquidation balance

	PAYMENT DUE DATE	INTEREST DUE	PRINCIPAL REMITTED	BALANCE
1	1/1/02			2,842,308.21
2	2/1/02	19,540.87	1,494.09	2,840,814.12
3	3/1/02	19,530.60	1,504.36	2,839,309.76
4	4/1/02	19,520.25	1,514.71	2,837,795.05
5	5/1/02	19,509.84	1,525.12	2,836,269.93
6	6/1/02	19,499.36	1,535.60	2,834,734.33
7	5/15/02		2,558,077.39	276,656.94
8	7/1/02	1,902.02	1,546.16	275,110.78
9	8/1/02	1,891.39	1,556.79	273,553.99
10	9/1/02	1,880.68	1,567.50	271,986.49
		TOTAL INTEREST DUE	TOTAL PRINCIPAL REMITTED	LIQUIDATION BALANCE
		103,275.01	2,570,321.72	271,986.49

Monthly Accounting Requirements – Final disposition of claim

- ◆ Liquidate loan from the pool, as usual
 - Apply final claim funds and liquidate loan from pool, as usual.
 - Your investor accounting department will report any remaining P&I funds in 5 B. 2 on form 11710-A
 - Remember: Ginnie Mae requires pass through of claim funds by the 15th of month following application of funds



Assembling Necessary Documents

- ◆ Finally – time to assemble documents for the Ginnie Mae claim for reimbursement package
- ◆ You will need to gather
 - Hard copy 11710-E
 - FHA transmittal letter
 - FHA final claim settlement statement
 - Claim form and instructions
 - Refer to Handout #1 pages 2 - 7



Transmittal Letter from FHA

- ◆ Handout Page 4
- ◆ Received with final claim payment from FHA
- ◆ Used to established deadline for submitting reimbursement request to Ginnie Mae
- ◆ Also used to determine whether interest on FHA claim was disallowed or curtailed



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING-FEDERAL HOUSING COMMISSIONER

August 16, 2002

Ms. Zola Lola
XYZ Mortgage Company
3900 Main Street
Anytown, USA 34215-0000

Dear Ms. Lola:

SUBJECT: Project No. 089-75894
Champion Forest Apartments
Houston, TX.

The examination of the claim for insurance benefits has been completed and we are proceeding with final settlement. Claim settlement data has been forwarded to the Department of the Treasury for issuance of payment as indicated on the enclosed Mortgage Insurance Claim Settlement Statement (Form HUD 27427).

Your claim, filed in the amount of \$2,632,516.90 has been settled in the amount of \$2,632,516.90.

A Certificate of Claim is enclosed.

Transmittal Letter from FHA

- ◆ Reimbursement request must be received by Ginnie Mae within 60 days from date on transmittal letter
 - *When does the clock start if I file a supplemental claim?*



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING-FEDERAL HOUSING COMMISSIONER

August 16, 2002

Ms. Zola Lola
XYZ Mortgage Company
3900 Main Street
Anytown, USA 34215-0000

Dear Ms. Lola:

SUBJECT: Project No. 089-75894
Champion Forest Apartments
Houston, TX.

The examination of the claim for insurance benefits has been completed and we are proceeding with final settlement. Claim settlement data has been forwarded to the Department of the Treasury for issuance of payment as indicated on the enclosed Mortgage Insurance Claim Settlement Statement (Form HUD 27427).

Your claim, filed in the amount of \$2,632,516.90 has been settled in the amount of \$2,632,516.90.

A Certificate of Claim is enclosed.

FHA Mortgage Insurance Claim Settlement Statement and Voucher

- ◆ Handout pages 5 & 6
- ◆ Received from FHA upon final disposition of claim
- ◆ Submitted to Ginnie Mae with reimbursement package
- ◆ Provides interest paid and other financial information

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
MULTIFAMILY HOUSING
MORTGAGE INSURANCE CLAIM SETTLEMENT STATEMENT AND VOUCHER**

REG Final Settlement Basic Information for Claim				
FHA NO	VOUCHER NO	REQUISITION NO	SCHEDULE NO	
089-75894	0000128A		00005802	
LAST PAYMT DATE	DEFAULT DATE	MATURITY DATE	SERIES	INTEREST RATE
1/1/02	2/1/02			0.77500
CONVEYANCE DT	DATE ASSIGNED	SETTLEMENT DT	SECTION	FUND
5/6/02	5/6/02	8/14/02	RNT	GI
PROJECT NAME AND LOCATION		MORTGAGEE NAME AND LOCATION		
Champion Forest Apartments 929 Seegers Trail, Houston, Tx 77066 USA		XYZ Mortgage Company 3900 Main Street Anytown Usa 34215-0000		
Gross Claim				
a. Unpaid principal balance of the mortgage				\$2,842,308.21
b. Unpaid balance of advances by mortgagee for:				
1. Mortgage insurance premiums			\$0.00	
2. Taxes ground rents, water rates, etc.			\$0.00	
3. Insurance on the property			\$0.00	
				\$0.00
c. Reasonable expenses for completion and preservation of property				\$0.00
d. Undisbursed mortgage proceeds remitted to FHA				\$0.00
Total Mortgage Balance and Disbursements				\$2,842,308.21
Deductions				
e. Funds in Escrow				
1. Mortgage Insurance Premiums			\$0.00	
2. Taxes, ground rates, water rates, etc.			\$5,099.91	
3. Hazard Insurance Premium			\$52.00	
4. Reserve for replacements			\$176,216.32	
5. Other			\$0.00	
				\$181,368.23
f. Net income received from the property				
1. Total Collections (Schedule B)			\$0.00	
2. Less: Operating Expenses (Schedule C)			\$0.00	
				\$0.00
g. Receipts from other sources after default date				\$0.00
h. One percent of item (A)				\$28,423.08
i. Other				\$0.00
Total Deductions				\$209,791.31
Net Claim				\$2,632,516.90

continued on next page

Ginnie Mae Request for Reimbursement Form

- ◆ Handout pages 7&8
- ◆ Line-by-line instructions in Appendix VI-9
- ◆ Also in back of workbook

<p>REQUEST FOR REIMBURSEMENT OF MORTGAGE INSURANCE CLAIM COSTS</p> <p>(Subject to the provisions of Section 1001, U.S. Code, Title 18, governing statement made to the United States Government.</p>	<p>GINNIE MAE POOL NUMBER <u>123456</u></p> <p>NAME OF PROJECT <u>Project Name Apartments</u></p> <p>FHA PROJECT NO <u>999-99999</u></p> <p>DATE OF ISSUE OF SECURITIES <u>May 1, 1994</u></p> <p>DATE OF MORTGAGE DEFAULT <u>February 1, 2002</u></p> <p>DATE OF THIS REQUEST: (1) <u>September 9, 2002</u></p>
---	--

The mortgage insurance claim, corresponding to our assignment of the mortgage secured by the above-described project, has been finally settled by HUD. Pursuant to Section 9.03 of the Guaranty Agreement for the above Ginnie Mae MBS pool, we hereby request reimbursement of the following mortgage insurance claim costs:

Enter Security Rate (2) <u>8.00%</u>	Enter Mortgage Rate (3) <u>8.25%</u>	Factor (4) <u>0.969696969</u>
1% of Unpaid Principal Balance (5)		\$ <u>28423.08</u>
Interest Paid to Holders (6) <u>\$103,275.01</u>		
LESS Curtailment (7) <u>\$0.00</u>		
TOTAL <u>\$103,275.01</u>	X <u>0.969696969</u>	= <u>\$100,145.46</u>
	(8)	(9)
Less Interest Reimbursed by HUD:		
From <u>Feb 1, 2002</u> to <u>May 7, 2002</u>	\$ <u>52,027.66</u>	
(10)	(11)	(12)
From <u>Feb 1, 2002</u> to <u>August 14, 2002</u>	\$ <u>3,079.34</u>	
(13)	(14)	(15)
Total Interest (16)	\$ <u>\$55,107.00</u>	
Net Interest Cost (17)	\$ <u>\$45,038.46</u>	
85% of Net Interest Cost to be Reimbursed (18)	\$ <u>\$38,828.69</u>	
Total Reimbursement (19)	\$ <u>\$67,251.77</u>	

Ready For a Case Study?

- ◆ Now we're going to complete an example together
- ◆ See handout #1, page 7 or "pink" page at back.

Three Final Topics

- ◆ Issuer Certification of Reimbursement
- ◆ Checklist for complete Reimbursement Package
- ◆ Special instructions to be used when FHA has curtailed or disallowed interest on the claim
 - *Refer to Workbook starting on page 25*

Certification of Reimbursement

- ◆ NOTE: By signing issuer certifies that:
 - All payments passed through to investor
 - Mortgage insurance claim has been finally settled by FHA
 - True, accurate and complies with Ginnie Mae and FHA regulations
 - All administrative procedures taken
-

It is understood that (1) if recoveries are realized on the FHA/HUD Certificate of Claim, we are to promptly remit to you and Ginnie Mae pro rata share in such recoveries, and (2) if the mortgage pool is terminated, no final payment is to be made to the security holders until they surrender to us all outstanding mortgage-backed certificates, which we are to promptly return to you for cancellation.

WE HEREBY CERTIFY THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF:

- A. All principal due the security holders has been timely passed through; all proper administrative actions have been taken; and compliance with all corresponding FHA and Ginnie Mae regulations has been effected.**
- B. All Statements made hereinbefore and in the Liquidation Schedule herewith attached are true.**

For questions relative to this request,
please communicate with:

ISSUER: (20) XYZ Mortgage Company

ADDRESS: (21) 3900 Main Street Anytown, USA 34215

Name: (24) Zola Lola

BY: (22) Sign Here

(Signature)

Telephone: (25) 555-555-1212

TITLE: (23) Assistant Vice President

Assembling the Request for Reimbursement Package

- ◆ Complete Package includes:
 - Issuer cover letter with accompanying wire instructions – must include:
 - Issuer federal tax ID number
 - City and state of financial institution
 - If missing, claim payment will be delayed

Assembling the Request for Reimbursement Package

- Sample cover letter in Workbook, page 27
- Note the complete wire instructions

XYZ Mortgage Company 3900 Main Street
Anytown, USA 34215-0000

June 4, 2003

Mr. Philip H. Buckley
Ginnie Mae
Office of Multifamily Programs
Department of Housing and Urban Development
Room 6320
451-7th Street SW
Washington, DC 20410

Re: Project Name Apartments
FHA Project No. 999-99999
Ginnie Mae Pool 123456 PL

Dear Mr. Buckley:

Enclosed please find the following required forms and documents for the captioned loan supporting a Request for Reimbursement of Mortgage Insurance Claim Costs:

- * Request for Reimbursement of Mortgage Insurance Claim Costs
- * Liquidation Schedule (HUD form 11710E)
- * Mortgage Insurance Claim Settlement Statement (HUD form 27427)
- * FHA transmittal Letter
- * Wiring instructions are included below. Please remit payment to:
 - First National Bank of Anytown, Anytown, USA
 - ABA#987-654-321 for credit to the account of XYZ Mortgage Company
 - Account #210012345678.
 - Our Tax ID is # 23-9876543.

Please call me should you have any questions or require additional documentation. Thank you for your cooperation.

Sincerely,

Zola Lola
Assistant Vice President

Enclosures



Package to Ginnie Mae

Continued

- ◆ Complete Package (continued):
 - Request for Reimbursement of Mortgage Insurance Claim Cost form
 - Copy of detailed HUD form 11710E – Liquidation Schedule
 - Copy FHA Transmittal Letter
 - Copy HUD Form 27427 – Mortgage Insurance Claim Settlement Statement and Voucher



Special Instructions if FHA Curtails Interest

- ◆ Ginnie Mae has special instructions if your FHA claim has had interest disallowed or curtailed because...
 - Ginnie Mae will not reimburse an issuer for interest that has been curtailed by FHA
 - Important distinction: We are talking about curtailment of *interest*, not other items that may have been adjusted or disallowed by FHA



Interest Curtailment

- ◆ Page 29 in workbook
- ◆ If interest was curtailed, date is usually noted on FHA Transmittal letter
- ◆ Interest “paid through” dates also on FHA Settlement Statement



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING FEDERAL HOUSING COMMISSIONER

August 27, 2002

Ms. Zola Lola
XYZ Mortgage Company
3900 Main Street
Anytown, USA 34215-0000

Dear Ms. Lola:

SUBJECT: Project No. xxx-xxxxx
Garden Apartments
Anytown, USA

The examination of the claim for insurance benefits has been completed and we are proceeding with final settlement. Claim settlement data has been forwarded to the Department of the Treasury for issuance of payment as indicated on the enclosed Mortgage Insurance Claim Settlement Statement (Form HUD 27427).

Your claim, filed in the amount of \$5,398,094.36 has been settled in the amount of \$5,398,094.36.

Interest on this claim has been curtailed due to late receipt of Fiscal Data. The due date for receipt of Fiscal Data was June 29, 2000. The Fiscal Data was received on June 26, 2002.

A Certificate of Claim is enclosed.

Very sincerely yours,

Gary G. Zimmerman
Chief
Multifamily Claims Branch

Enclosures

Special Instructions if Interest Curtailed by FHA

- ◆ Page 30 in workbook
- ◆ If interest has been curtailed by FHA, the adjustment is recorded on the Ginnie Mae Request for Reimbursement here
- ◆ calculate the amount of the curtailment and deduct it from the “Total Interest Due” the security holder as recorded on form 11710-E

REQUEST FOR REIMBURSEMENT OF MORTGAGE INSURANCE CLAIM COSTS	GINNIE MAE POOL NUMBER <u>999999</u>
(Subject to the provisions of Section 1001, U.S. Code, Title 18, governing statement made to the United States Government.	NAME OF PROJECT <u>Anytown Apartment Complex</u>
	FHA PROJECT NO <u>xxx-xxxx</u>
	DATE OF ISSUE OF SECURITIES <u>June 1, 1999</u>
	DATE OF MORTGAGE DEFAULT <u>January 1, 200</u>
	DATE OF THIS REQUEST: (1) <u>November 25, 2002</u>

The mortgage insurance claim, corresponding to our assignment of the mortgage secured by the above-described project, has been finally settled by HUD. Pursuant to Section 9.03 of the Guaranty Agreement for the above Ginnie Mae MBS pool, we hereby request reimbursement of the following mortgage insurance claim costs:

Enter Security Rate (2) <u>7.375%</u>	Enter Mortgage Rate (3) <u>7.625%</u>	Interest Rate Factor (4) <u>0.967213115</u>
1% of Unpaid Principal Balance (5)		\$ <u>54,991.51</u>
Interest Paid to Holders (6)	<u>\$250,192.82</u>	
LESS Curtailment (7)	<u>\$41,879.53</u>	
TOTAL	<u>\$208,313.29</u>	X <u>0.967213115</u> = <u>\$201,483.35</u>
	(8)	(9)

Less Interest Reimbursed by HUD:

From <u>Jan 1, 2000</u> to <u>May 16, 2000</u>	\$ <u>131,752.05</u>
(10)	(11)
From <u>March 1, 2001</u> to <u>April 30, 2001</u>	\$ <u>15,816.13</u>
(13)	(14)
	(15)

Total Interest (16)	\$ <u>147,568.18</u>
Net Interest Cost (17)	\$ <u>53,915.17</u>
85% of Net Interest Cost to be Reimbursed (18)	\$ <u>45,827.89</u>
Total Reimbursement (19)	\$ <u>100,819.40</u>

It is understood that (1) if recoveries are realized on the FHA/HUD Certificate of Claim, we are to promptly remit to you and Ginnie Mae pro rata share in such recoveries, and (2) if the mortgage pool is terminated, no final payment is to be made to the security holders until they surrender to us all outstanding mortgage-backed certificates, which we are to promptly return to you for cancellation.

WE HEREBY CERTIFY THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF:

A. All principal due the security holders has been timely passed through; all proper administrative actions have been taken; and compliance with all corresponding FHA and Ginnie Mae regulations has been effected.

B. All Statements made hereinbefore and in the Liquidation Schedule herewith attached are true.

For questions relative to this request, please communicate with:

ISSUER: (20) _____

ADDRESS: (21) _____

Name: (24) _____ BY: (22) _____

Telephone: (25) _____ (Signature) _____

TITLE: (23) _____

Date: 11/25/2002 1

Curtailment Instructions

- ◆ From “Total Interest Due” on form 11710-E
 - Beginning from the date of interest curtailment, stated on the FHA transmittal letter, subtract interest for each whole month (s) and/or partial months
 - Prorate interest per diem for partial month using 30 day month

Detail – Interest Curtailment

The mortgage insurance claim, corresponding to our assignment of the mortgage secured by the above-described project, has been finally settled by HUD. Pursuant to Section 9.03 of the Guaranty Agreement for the above Ginnie Mae MBS pool, we hereby request reimbursement of the following mortgage insurance claim costs:

Enter Security Rate (2) 7.375% Enter Mortgage Rate (3) 7.625% Interest Rate Factor (4) 0.967213115

1% of Unpaid Principal Balance (5) \$ 54,991.51

Interest Paid to Holders (6)

\$250,192.82

LESS Curtailment (7)

\$41,879.53

TOTAL

\$208,313.29

X 0.967213115 = \$201,483.35

(8)

(4)

(9)

Less Interest Reimbursed by HUD:

From Jan 1, 2000 to May 16, 2000 \$ 131,752.05

(10)

(11)

(12)

From March 1, 2001 to April 30, 2001 \$ 15,816.13

(13)

(14)

(15)

Total Interest (16)

\$ \$147,568.18

Net Interest Cost (17)

\$ 53,915.17

85% of Net Interest Cost to be Reimbursed (18)

\$ \$45,827.89

Total Reimbursement (19)

\$ \$100,819.40

What If Interest Had Not Been Curtailed?

\$100,819 vs. \$135,249 !

The mortgage insurance claim, corresponding to our assignment of the mortgage secured by the above-described project, has been finally settled by HUD. Pursuant to Section 9.03 of the Guaranty Agreement for the above Ginnie Mae MBS pool, we hereby request reimbursement of the following mortgage insurance claim costs:

Enter Security Rate (2) 7.375% Enter Mortgage Rate (3) 7.625% Interest Rate Factor (4) 0.967213115

1% of Unpaid Principal Balance (5) \$ 54,991.51

Interest Paid to Holders (6)	<u>\$250,192.82</u>			
LESS Curtailment (7)	<u>\$0.00</u>			
TOTAL	<u>\$250,192.82</u>	X	<u>0.967213115</u>	= <u>\$241,989.78</u>
	(8)		(4)	(9)

Less Interest Reimbursed by HUD:

From	<u>Jan 1, 2000</u>	to	<u>May 16, 2000</u>	\$	<u>131,752.05</u>
	(10)		(11)		(12)
From	<u>March 1, 2001</u>	to	<u>April 30, 2001</u>	\$	<u>15,816.13</u>
	(13)		(14)		(15)

Total Interest (16) \$ \$147,568.18

Net Interest Cost (17) \$ 94,421.60

85% of Net Interest Cost to be Reimbursed (18) \$ \$80,258.36

Total Reimbursement (19) \$ \$135,249.87

Curtailment Summary

You have questions?



We got answers!

Additional Case Study

- ◆ In the workbook as well as in Handout #2, you have been provided and additional example:
 - Completed 11710-E
 - Completed 11710-A
 - FHA Transmittal Letter
 - FHA Claims Settlement and Voucher
 - Blank Ginnie Mae Request for Reimbursement



Case Study Q &A

- ◆ Feel free to take the Case Study back to thin individual responsible for filing Requests for Reimbursement.
- ◆ If you have questions and want to discuss with Nancy or her staff, do not hesitate to telephone (888) GINNIE4, ext. 0428



Schedule of Upcoming Events

- ◆ Ginnie Mae and the MBA will host sessions:
 - September 2003 – date TBD
 - Large Loan REMICS
 - Other good stuff to be determined



The End



Questions?



- ◆ Now's the time to ask if you have any question about the Ginnie Mae Reimbursement Request package

What We've Just Seen

- ◆ We have compiled all the documentation and completed the Ginnie Mae Request For Reimbursement
- ◆ Now it's time to assemble the package and submit to Ginnie Mae
 - Within how many days?



Case Study

- ◆ Complete the Ginnie Mae Request For Reimbursement of Mortgage Insurance Claim Costs form
 - Refer to Appendix VI-9
 - provided in back of book and in handout

